

**Washington State Department of Transportation
State of Washington Biennium FY 2005-FY 2007
Disadvantaged Business Enterprise
Interim Overall Goal and Goal Setting Methodology
Federal Transit Administration**

The purpose of the overall goal is to achieve a “level playing field” for ready, willing and able Disadvantaged Business Enterprises (DBEs) seeking to participate in contracts awarded by the Washington State Department of Transportation (WSDOT) with United States Department of Transportation (USDOT) funds. In an effort to reach this level playing field, WSDOT examined its programs and its relevant market, then determined the amount of participation DBEs would be expected to achieve in the absence of discrimination. 49 CFR §26.45 requires recipients of USDOT federal-aid to utilize a two-step process in the development of their overall DBE goals.

Under the provisions of 49 CFR §§26.45.(d).2 and (f).2, the goal is based on a particular group of grants/projects that are awarded biennial.

The Department has chosen to adopt the State of Washington as its relevant local market based upon the best data currently available.

STEP ONE: Determine the Base Figure for the Relative Availability of DBEs

Step one is to determine the base figure for the relative availability of DBEs. WSDOT utilized the number of certified DBEs as its numerator and the total number of identifiable establishments in the Census Bureau’s County Business Patterns (CBP) database as its denominator.

To determine the numerator, WSDOT used the number of DBEs listed in the Office of Minority and Women Business Enterprise (OMWBE) Directory involved in Federal Transit Administration (FTA) related contracting, sorted by North American Industry Classification System (NAICS) Codes. The 340 DBEs in construction and the 26 DBEs in engineering services comprise the numerators.

To determine the denominator, WSDOT used the Census Bureau’s CBP database, for the same NAICS codes as in the numerator. The 17,213 construction establishments and 1,435 engineering firms comprise the denominators.

Construction Base Figure

$$\frac{\left[\begin{array}{c} \text{DBE firms in Const.} \\ 340 \end{array} \right]}{17,213} = 1.98\%$$

$$\left[\begin{array}{c} \text{CBP firms in Const.} \end{array} \right]$$

Engineering Services Base Figure

$$\frac{\left[\begin{array}{c} \text{DBE firms in Engineering Services} \\ 26 \end{array} \right]}{1,435} = 1.81\%$$

$$\left[\begin{array}{c} \text{CBP firms in Engineering Services} \end{array} \right]$$

Based on the above calculations, the base figure for overall DBE availability in construction is 1.98% and in engineering services is 1.81%.

The Washington State Ferry System (WSF) has vessel/terminal and two design projects for FY 2005-2007. WSDOT's experience in performing the DBE analysis on these types of projects is that there will be no subcontracting opportunities for DBEs. Therefore, the proposed overall 2005-2007 goal for WSF FTA assisted projects is **1.93%**¹.

The Public Transportation Office (PTO) of WSDOT determined that there are two projects that would have potential DBE utilization for FY 2005–FY 2007:

1. Section 5311(f): WSDOT - \$350,000.00 Trip Planner
2. JARC- \$617,000.00 Thurston Regional Planning Council

The first grant is a Washington & Oregon partnership to prepare a Regional Transportation Portal/Statewide Travel Options website. This tool will help travelers or advocates find the transportation information to build their own trip. \$156,000 is WSDOT's share for Oregon Department of Transportation's (ODOT) development of the system software, and the DBE participation for that portion will be covered by ODOT's DBE Program. The remaining funds will employ existing consultants through the WSDOT Office of Information Services, and any DBE participation would be considered race-neutral as the services will be performed by prime DBE consultants. The second grant is subject to Thurston Regional Planning Council's FTA-approved DBE Program.

Based upon the above information, the DBE base figure for FTA grant projects is **0%**.

STEP TWO: Adjustment of the Base Figure for the Overall Goal

The second step in this process is to adjust the base figure to reflect the DBE participation expected absent the effects of discrimination.

The regulation requires that WSDOT must consider the current capacity of DBEs to perform work, measured by the volume of work DBEs have performed in recent years, and evidence from disparity studies conducted anywhere within WSDOT's jurisdiction,

¹ WSDOT weighted the estimated dollars between construction and engineering to arrive at the base figure.

to the extent it is not already accounted for in the base figure. There has been no past DBE participation on FTA-funded contracts, nor has a reliable disparity study been conducted in Washington State. The regulation permits consideration of evidence from "related fields" that affects DBEs, including statistical disparities in the ability of DBEs to obtain bonding, financing and insurance, and data on employment, self-employment, education, training and union apprenticeship. No such evidence is currently available to WSDOT and therefore the base figure for overall DBE availability of 1.93% for WSF projects and 0% for FTA grant projects was not adjusted.

Pursuant to §26.45 (5) (f) (2.), WSDOT seeks to set our overall goal on a project or grant basis. As such, WSDOT's overall DBE availability of 1.93% for WSF projects and 0% for FTA grants are also the overall goals for FTA-assisted contracts.

According to WSDOT's Public Transportation Office, the remainder of the grants administered by that office, other than for rolling stock, are for operations in the provision of transit and there is insufficient data to determine the feasibility of establishing DBE goals.

Pursuant to § 26.45(d)(2), we are permitted to set our overall goal on a revised submittal time by requesting approval from the FTA Administrator, which is included in the cover letter to this goal submittal.

Means to Meet Overall DBE Goal

WSDOT will use only race-neutral means to promote and encourage DBE participation on FTA assisted contracts or grants, given the low DBE availability and the lack of subcontracting opportunities.

Public Involvement in the Overall Goal Setting Process

WSDOT will publish a statewide public notice of the proposed goal and methodology. The goals and methodology will be available for inspection during normal business hours at the Office of Equal Opportunity and at each WSDOT regional office for a period of 30 days following the date of the notice. Public comments will be accepted up to 45 days from the date of the notice. Additionally, the information will be provided to major state newspapers, minority-focused media, and trade publications and will be listed on the WSDOT, Office of Minority and Women's Business Enterprises and Associated General Contractors websites.